

STATE OF WISCONSIN
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF MANAGEMENT SERVICES
BUREAU OF FISCAL SERVICES

ACCOUNTING POLICY

TOPIC: Special Expense 6.0	EFFECTIVE DATE: 3/25/83
TITLE: Authorization and Processing of Legal Settlements and Other Unique Claims	REVISION DATE: 10/31/92
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BACKGROUND

Routine payments for goods or services regularly provided are authorized and processed in accordance with established purchase order, approved invoice and coding procedures (see **FMS PROCESSING 5.0**).

Occasional unique circumstances require prompt payment of relatively large amounts which cannot be processed in the usual manner. Such circumstances may result from out of court settlement of claims in litigation or negotiated settlement of other contested claims or allowances. Most of these unique claims involve some action by legal counsel.

POLICY

Bureau of Fiscal Services (BFS) has established policies and procedures which shall be followed in processing routine claims covered by purchase orders and, for institutions, encumbrance authorizations.

Unique claims, not covered by contracts with fiscal intermediaries, will be specially processed by BFS with advice by legal counsel upon request from a division.

Unique claims to be processed through a fiscal intermediary system, such as EDS for Medicaid, will be processed in accordance with contractual agreements and will be the responsibility of the program division and the employee who authorized the payment.

In all cases, BFS-General Accounting is the liaison or contact point for communications with Department of Administration (DOA) relative to arranging payment of any claim.

PROCEDURES

1. Legal counsel will be consulted by a division representative before negotiating, or agreeing to, a settlement of any claim or allowance. Legal counsel generally initiates such negotiations.

2. To ensure compliance with provisions and constraints of an agreement, legal counsel will contact BFS to make the necessary arrangements for obtaining a check in payment of a negotiated settlement to be processed through the DHSS accounting system.
3. BFS will ensure that appropriate documentation, properly endorsed, and DOA contact is taken care of and that funds are available. If payment is initiated in DMS, the program division shall be notified before requesting a check in payment of a negotiated settlement.
4. All contacts with DOA regarding payment authorization or processing will be made through BFS-General Accounting.

REFERENCE

FMS PROCESSING 5.0 (Voucher Approval and Certification of Goods and Services Received)

CONTACT PERSON

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